



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 7/23/2004

GAIN Report Number: IN4076

India

Agricultural Situation

Weekly Highlights and Hot Bites, #28

2004

Approved by:

Michael Riedel

U.S. Embassy, New Delhi

Prepared by:

A. Govindan, V. Shunmugam, Sayed Sarwer Hussain

Report Highlights:

Rainfall deficiency continues, *BANGLADESH: More than half of country flooded*, *India: WTO draft framework disappointing*, *Prime Minister to review trade agreements*, *Exporters concern over new European food law*, *Bangladesh calls for strategic tie-up in textile sector*.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1]
[IN]

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

RAINFALL DEFICIENCY CONTINUES

With rains continuing to elude the drought-hit areas in the week ending July 21, the overall seasonal rainfall deficiency in the country rose to 12 percent, compared to 10 percent for the week ending July 14. The weather office does not foresee much chance of a monsoon revival in the next few days. Major affected areas include Rajasthan, West Madhya Pradesh, Vidarbha, Telangana, Gujarat, Jharkhand, and the whole of the northwestern farm belt (Punjab, Haryana, and West Uttar Pradesh). (Source: Business Standard, 07/23/04)

Post Comment: For more details, please see GAIN Report IN4075 – “Monsoon Progress Report No. 3”.

BANGLADESH: MORE THAN HALF OF COUNTRY FLOODED

About 12 million Bangladeshis are suffering as the floods in the country have now covered 60 per cent of the country's area. It is reported that production of the Aman rice crop is likely to be reduced by 10 per cent, as a large portion of the seedbeds in 36 districts have already gone under water. Yields will be affected if the floodwater does not recede before mid-August. According to Agriculture Department sources, the government has initiated a Tk. 200 million (\$3.4 million) emergency agriculture rehabilitation program to distribute seeds to farmers free of cost (in flood-affected areas) (Source: The New Age, 07/22/04)

INDIA: WTO DRAFT FRAMEWORK DISAPPOINTING

India said that the draft negotiations framework circulated by the WTO for consideration of the 148 member countries is disappointing in respect to agriculture. “We believe that much work will have to be done in making the draft text acceptable,” according to a Ministry of Commerce and Industry statement. “We find that there is greater level of specificity on matters of interest to developed countries, and a greater level of generality in respect of the special and differential treatment components of the developing countries. We will be working with the G-20 on agriculture and jointly put forward our concerns in the discussion at Geneva,” the statement said. (Source: Press Information Bureau, GOI, 07/19/04)

PRIME MINISTER TO REVIEW TRADE AGREEMENTS

Prime Minister Manmohan Singh has sought a review of India's free trade agreements (FTAs) and preferential trade agreements in the wake of apprehensions aired by the domestic industry. The Finance Ministry expressed its concern over probable revenue loss on account of such pacts. “There is a view that we do not have sufficient manpower and know-how to implement FTAs. There are also issues pertaining to implementation of tariff lines – namely the basis for inclusion and exclusion of items at zero duty, extent of tariff reduction, and the time frame for expanding the list of items for concessional duty,” an official said. (Source: Business Standard, 07/19/04)

EXPORTERS CONCERN OVER NEW EUROPEAN FOOD LAW

After the US bio-terrorism law, Indian exporters are now dreading the European General Food Law, which comes into effect from January 1, 2005. According to a statement by EAN India (a non-profit organization under the Ministry of Commerce), this law will threaten Indian food and marine product exports to the European Union, which account for 40 percent of the India's total food and marine product exports. The new law requires all food and feed manufacturers and suppliers to make their food products and ingredients traceable along the supply chain, EAN India said. To help Indian exporters comply with the law, EAN India has introduced traceability guidelines developed by leading food retailers and producers in the European Union. (Source: Business Line, 07/23/04)

Post Comment: The EAN.UCC system facilitates electronic commerce processes including tracking and traceability. For more information about EAN India, please see www.eanindia.com/ABOUT/about.htm

BANGLADESH CALLS FOR STRATEGIC TIE-UP IN TEXTILE SECTOR

Bangladesh has called for a strategic alliance with India in the textiles sector, post-Multi Fiber Agreement in order to emerge as competitive entities in the global market. Mr. Mahmudur Rahman, Executive Chairman, Board of Investment, Bangladesh, said that joint ventures in the textile sector in Bangladesh would be beneficial to India, as Bangladesh in the post-MFA period would continue to enjoy the GSP benefit (as an LDC exporter), giving it a 12 percent duty advantage. (Source: Business Line, 07/17/04)

RECENT REPORTS SUBMITTED BY FAS/NEW DELHI

REPORT #	SUBJECT	DATE SUBMITTED
IN4074	Weekly Highlights & Hot Bites, #27	07/16/04
IN4075	Monsoon Progress Report No. 3	07/21/04

WE ARE ON THE NET

We are available at www.usembassy.state.gov/posts/in1/www43.html or visit our headquarter's home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

FAS/NEWDELHI EMAIL

To reach us at FAS/New Delhi, email us at Agnewdelhi@usda.gov.